

Don't be spooked by the latest gift card scam!

Halloween is over but the holiday shopping season is on its heels. If gift cards are on your shopping list, be on the lookout for a new scam that could turn your generous gift into a useless piece of plastic.

Here's how the scam works. You receive a gift card as a present from a friend, colleague, or loved one. When you go to use the card, however, the card gets declined. That's because before the card's purchase, a scammer took the card off the rack at a retail location, wrote down the card number, and scratched off and recorded the security codes from the back of the card. In some cases, the scammers replace the security strip on the card to hide their tracks.

Once the card is activated, the scammer drains the funds via online purchases. Software makes it easy for scammers to check card balances online, so they know when the card can be used.

Unfortunately, scam can be compounded when the seller of the gift card refuses to make the victims whole. Some merchants have been known to deny consumers refunds even if the customer is able to provide the receipt and proof of activation for the gift card.

While detecting this scam can be very challenging, there are several steps you can take to proactively protect yourself and your gift recipient:

- Look for gift cards with substantial packaging. Gift cards that do not have security packaging - which prevents access to the actual gift cards - are easy targets for scammers.
- Carefully inspect its security packaging. If there are any signs tearing or peeling or if it is not in mint condition, do not purchase it.
- If you must purchase a gift card without security packaging, carefully inspect the foil tape over the PIN. Tape that is crooked, too large, or that appears to have been reapplied are all giveaways that the card may have already been compromised.
- Consider only buying gift cards online. Purchasing a card online reduces the chance that a card has been compromised, since scammers are unlikely to have had access to the card. For more security, order the gift card from your chosen merchant's official website.
- Keep your receipt, and give it to the gift card recipient. If the card has been compromised, having the receipt gives the recipient some negotiation power.

If you spot someone copying down numbers at store, report them to security immediately. If you purchase a gift card that's been compromised or have questions about this and other consumer issues, visit our website www.howardcountymd.gov/consumer, or call us at 410-313-6420.

To obtain this publication in an alternative format, please contact the Office of Consumer Protection at 410-313-6420 or consumer@howardcountymd.gov. This piece was adapted from a fraud alert by the National Consumers League.